

The complaint

Mrs G complains that Scottish Widows Schroder Personal Wealth Limited (“SPW”) didn’t provide the service regarding her investment portfolio she paid for and expected.

What happened

Mrs G originally invested with Scottish Widows in 2002 and 2004. She then joined Lloyds Bank Private Banking in 2008 where she held an ISA, which was then transferred to SPW in June 2019, then to its new platform in December 2019 after a ‘Transitional Advice Review’.

The ISA was subject to a yearly Ongoing Advice Review (OAR). But Mrs G’s other investments with Scottish Widows were transferred to a separate business, Schroders Personal Wealth (ACD) in 2019. So weren’t subject to the OAR.

Reviews of Mrs G’s ISA took place in in March 2021, 2022, and 2023. The advisers made recommendations regarding her ISA but explained that if she wanted a review of her pension and other investments held with Schroders Personal Wealth (ACD), she would need to make direct contact to arrange for this.

Mrs G complained to SPW, but it didn’t uphold her concerns. It explained that following a Transitional Advice Meeting in 2019 a report was issued that detailed a recommendation that Mrs G move her ISA to SPW’s Personal Discretionary Portfolio Service (PDPS). The OAR service featured an annual review of the ISA, but the funds held outside this with Schroders Personal Wealth (ACD), would require separate instructions to be reviewed and none had been provided.

Mrs G referred her complaint to this service, but our investigator also didn’t think the complaint should be upheld. She said, in brief:

- The agreement Mrs G signed in July 2019 following the transitional advice meeting was for a discretionary investment management service where SPW would manage her ISA portfolio in line with her agreed risk profile. She was entitled to at least one full yearly review which would consider her circumstances to ensure the ISA investments remained suitable. The agreement also noted that SPW didn’t manage her Self-Invested Personal Pension (SIPP), or other general investments held outside the ISA, as these weren’t held by SPW.
- The 2022 and 2023 reviews had fully considered Mrs G’s cash position in respect of potential future property investments and wider circumstances. In both reports, the adviser highlighted her ‘Legacy Holdings’ under a section ‘Other Topics’. These consisted of her Schroders Personal Wealth (ACD) funds and SIPP, both held outside the ISA. The Review report said that SPW would only give Mrs G advice on these funds if requested and for a separate fee.
- In both the March 2022 and 2023 Review reports it explained how to make contact in respect of her other investments. The investigator hadn’t seen evidence that Mrs G asked SPW to consider these funds during either review.

- Having reviewed the fees paid by Mrs G the investigator was satisfied that the 0.65% fee only applied to the ISA. Both the 2022 and 2023 reports indicated that Mrs G's ISA had been considered and she'd taken advantage of her full allowance. It stated, *"You should hold your cash as tax-efficiently as possible, taking advantage of any available Personal Savings Allowance and ISA allowance."*

In summary, the investigator felt unable to conclude that SPW had treated Mrs G unfairly. The PDPS Agreement specified that SPW wouldn't advise on her general investments and pension, but SPW had reviewed and advised on her ISA for which it was charging the annual fee.

Mrs G didn't accept the investigator's opinion. So, the matter was passed to me to review.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I've come to the same conclusions as the investigator and for broadly the same reasons.

I appreciate that Mrs G may have received a different level of service prior to the transitional advice meeting in 2019, one that she found more satisfactory. It seems that she had a better relationship with the adviser she worked with until 2021. But that doesn't necessarily mean SPW acted incorrectly post-2019.

It was recommended to her by her former adviser during the Transitional Advice Review of December 2019 that she transfer her existing Investment Portfolio Service to the new SPW Personal Discretionary Portfolio Service (PDPS). The report said, *"To meet your objectives I recommend you transfer your existing Investment Portfolio Service into a Fusion Wealth Individual Savings Account (ISA) with the Schroders Personal Wealth – Personal Discretionary Portfolio Service (PDPS) as the investment choice."* So, I think it was clear that the report covered the ISA only.

I think this situation continued to be made clear in the reports of review meetings relating to subsequent years. All the reports explained as 'other considerations' that Mrs G should take advantage of her ISA allowance. Her ISA couldn't be automatically funded from her other investments as they weren't held by SPW. As noted, they were held separately with Schroders Personal Wealth (ACD). I note also that it was noted in the report of the 2023 review that Mrs G had used her ISA allowance with Lloyds Bank in that tax year.

In the 2022 report the new adviser noted as a 'topic for conversation' the Schroders Personal Wealth (ACD) and Scottish Widows holdings – those investments that weren't held in the ISA. It was suggested that a letter of authority would be sent so information about those investments could be obtained. This information had clearly been obtained by the time of the 2023 review as the report gave details of them and, importantly, highlighted that limited advice (fund switches only) could be provided for them, but that separate contact would need to be made and a telephone number was provided to do so. I've not seen that this was followed up on.

Having looked closely at the evidence, I'm satisfied it was made reasonably clear to Mrs G what service she would be charged for and provided, and which investments it applied to. I understand she feels that SPW has not looked holistically at her overall investments. But I'm satisfied it didn't agree to do so and it has made clear that it was only the PDPS ISA that was subject to ongoing advice.

My final decision

For the reasons given, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 1 April 2025.

James Harris
Ombudsman